

**CHARTER COMMISSION
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The Charter Commission conducted a regular meeting on Wednesday, October 19, 2016, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Chairperson Joseph Field
 Commissioner Susan E. Anderson
 Commissioner Mark Barrows
 Commissioner Jim Bendtsen
 Commissioner Ben Deemer
 Commissioner Chad Sivertson (arrived at 6:34 p.m.)

Members Absent: Commissioner Mark Anderson
 Commissioner John Niederhaus
 Commissioner Eric Zaetsch

Also Present: City Administrator Kurtis G. Ulrich
 City Clerk Jo Thieling
 Finance Director Diana Lund
 City Attorney Joe Langel
 City Councilmember Chris Riley
 Stacy Kvilvang, Ehlers and Associates

CALL TO ORDER

Chairperson Field called the regular meeting of the Charter Commission to order at 6:30 p.m.

CITIZEN INPUT

None.

APPROVE AGENDA

Motion by Commissioner Deemer, seconded by Commissioner Barrows, to approve the agenda as amended.

Motion carried. Voting Yes: Chairperson Field, Commissioners Deemer, Barrows, S. Anderson, and Bendtsen. Voting No: None. Absent: Commissioners M. Anderson, Niederhaus, Sivertson, and Zaetsch.

APPROVE MINUTES

Chairperson Field referenced the roll call vote which states six members and he believed seven members were present. It was noted that Commissioner Barrows was present but abstained from the vote and should be noted as such.

Motion by Commissioner Deemer, seconded by Commissioner Barrows, to approve the following meeting minutes as amended:

- 1) Regular Charter Commission Meeting dated July 13, 2016

Motion carried. Voting Yes: Chairperson Field, Commissioners Deemer, Barrows, S. Anderson, and Bendtsen. Voting No: None. Absent: Commissioners M. Anderson, Niederhaus, Sivertson, and Zaetsch.

COMMISSION BUSINESS

5.1 Review of Bond Regulations and Tax Increment

Commissioner Sivertson arrived.

Stacy Kvilvang, Ehlers, provided an overview of municipal bond regulations. She reviewed the different types of bond financing and the methods in which a city most often uses the different types of bonds.

Commissioner Deemer asked for more details on whether a special election would be needed for a reverse referendum and which portion of the Council would be necessary to approve an item.

Ms. Kvilvang explained that in the situation of a reverse referendum, the question would be placed on the ballot for the next general election. She noted that in reference to the question regarding Council approval, that would simply require a majority (four out of seven members). She provided information regarding the authority to issue debt and the different bonding methods a municipality has. She noted the bonds that an Economic Development Authority (EDA) can issue.

Chairperson Field asked the typical duration of the bonds.

Ms. Kvilvang stated that road projects are typically ten to 15 years but projects like city halls are often financed at a longer period of 20 to 25 years.

Chairperson Field asked and received confirmation that revenue bonds can have a higher rate than general obligation bonds because of the risk.

Commissioner Deemer noted that it appears that the call date and final payment date do not match.

Ms. Kvilvang stated that when debt is issued there is a call date set for the time at which you can attempt to refinance the bonds or pay in full. She noted that for a bond of ten to 15 years, the call date would typically be set for seven to eight years for the issuance of the debt. She noted that Ramsey has taken advantage of this multiple times, refinancing the debt following the call date to obtain a lower interest rate. She provided an overview of tax increment financing (TIF) and the type of items that can be funded through that development tool. She noted that cities do not need the approval of the School District or the County to establish a TIF district. She provided information on the length of time that a TIF district can be open, noting that certain conditions must be met in order to qualify for longer terms. She explained that TIF is often used to spur development or redevelopment which in turn benefits the local economy in that municipality.

Commissioner Bendtsen asked the type of tests that are applied to determine if the purpose of a TIF is valid for that type of district.

Ms. Kvilvang explained that there are specific criteria that must be met in order to qualify for the different types of TIF and reviewed some examples for the different types of TIF districts. She stated that Ramsey has four TIF districts and believed that the City has been studious in its use of TIF districts. She explained how a city reviews a request for TIF funds. She noted that under the Data Practices Act, once a development agreement is approved, it becomes a public document.

Commissioner Bendtsen asked where the idea of a proposal for TIF funds is presented or brought forward.

Ms. Kvilvang stated that typically a request is brought forward from a developer who would then work with city staff to determine if their project would qualify under the city's policy and if so, the developer could then submit to bring the request forward to a public hearing.

Commissioner S. Anderson stated that there are people that do not like TIF and asked for input as from their point of view.

Ms. Kvilvang stated that the common argument is from those who are not seeing the benefit from the development for a delayed period. She stated that argument comes back to the fact that you would not have that extra tax increment but for that development. She explained that this is a short-term development for a long-term gain which benefits the residents and businesses in that area when the TIF district comes offline.

Chairperson Field thanked Ms. Kvilvang on behalf of the Commission for her thorough presentation to the Commission.

Commissioner S. Anderson stated that this presentation seemed to represent the positive comments regarding TIF but not the negative perspective, noting that there is an opinion of that nature out there.

Ms. Kvilvang replied that during public hearings most of the negative comments are regarding the fact that they will not receive the additional tax increment from the improvement or

development but noted again that the additional increment would not even exist but for that development or improvement that occurred through the TIF district.

5.2 Discussion of Regulations and Restrictions in Regard to Municipal Authorities

City Attorney Langel provided an overview of an Economic Development Authority and how that entity is created and governed. He stated that the Charter Commission does not have authority over the EDA. He explained that the resolution enabling the creation of the EDA would be categorized as an administrative function of the City Council and advised that the Charter Commission would not have authority over an administrative function of the City Council.

Commissioner Bendtsen provided the example that the City Council approves the membership of the EDA, who forwards items which are then approved by the City Council which in essence creates a shadow council. He stated that, in that example, the City Council can have items move forward that they do not want to be politically responsible for.

Chairperson Field stated that there were discussions in the past regarding franchise fees and asked if that would have been an administrative function.

City Attorney Langel reviewed the different methods in which a Charter can be amended. He stated that the discussions in the past from the Charter Commission on that topic were in regard to whether the Charter should be amended to disallow the Council from utilizing franchise fees but noted that the discussion was ultimately dropped.

5.3 Review Charter Commission Member Terms

Chairperson Field stated that the expiring terms are listed in the packet and asked of the intentions of those with expiring terms.

Commissioner Bendtsen stated that he would be interested in continuing to serve on the Commission.

City Clerk Thieling stated that Commissioners M. Anderson, Bendtsen, Field and Zaetsch have expiring terms and noted that she would simply need a response in writing (email included) stating that the Commissioner would like to reapply. She stated that there are term limits but no limit on the number of terms a Commissioner can serve. She stated that Commissioner Zaetsch has stated that he does not have interest in reapplying and therefore there will be at least one vacant position on the Commission. She noted that she will contact Commissioner M. Anderson to gauge his interest in continuing on the Commission.

6. COMMISSION / STAFF INPUT

Chairperson Field commented that the new Commission binders with information are great and appreciated the effort of staff.

City Clerk Thieling stated that she would pass the comments on to the human resources department that developed the booklet.

7. ADJOURNMENT

Motion by Commissioner Deemer, seconded by Commissioner Sivertson, to adjourn the meeting.

Motion carried. All present voted in favor.

The regular meeting of the Charter Commission adjourned at 7:58 p.m.

Respectfully submitted,

Jo Ann M. Thieling
City Clerk

Joseph J. Langel
City Attorney

Drafted by Amanda Staple
TimeSaver Off Site Secretarial, Inc.