

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

The Ramsey City Council conducted a City Council Work Session on Tuesday, April 24, 2018, 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

Also Present: City Administrator Kurtis Ulrich
Finance Director Diana Lund
Parks and Assistant Public Works Superintendent Mark Riverblood
Public Works Superintendent Grant Riemer
Asst. City Administrator/Economic Development Manager Patrick Brama

1. CALL TO ORDER

Mayor Strommen called the City Council Work Session to order at 5:31 p.m.

2. TOPICS FOR DISCUSSION

2.01: Debt Review Continued

Finance Director Lund reviewed the staff report.

Councilmember Kuzma referenced residents that paid their assessment in full in the past few years and asked how that would be handled.

Finance Director Lund explained how the franchise fees would be rebated for those that have assessments outstanding or that have been paid in full prior to the implementation of franchise fees.

Councilmember Riley referenced the assessments that had been paid in full already. He stated that may be difficult for those that had paid \$6,600 in assessments to have approximately \$800 refunded. He believed that there should be more fairness.

Mayor Strommen acknowledged the comments but noted that there will always be a situation in which someone paid in and did not get the benefit or did not pay and did receive the benefit. She stated that you will get stuck attempting to make everyone full.

Councilmember Johns referenced a property that was paid in full and asked if that credit would remain with the property if the property owner were to move.

City Administrator Ulrich stated that staff can further explore options that would be considered more equal but also financially feasible.

Councilmember Riley stated that under the franchise fee scenario, the City would still come up short on funding.

Finance Director Lund stated that the franchise fee will increase. She stated that the estimates are based on the \$4 and \$5 fees. She noted that the City would do projects that would be funded to the extent of the funds available.

Mayor Strommen stated that franchise fees are collected equally on an annual basis while the road needs are not equal on an annual basis. She stated that eventually there will be a bubble. She noted that the sooner this comes on line, the less of a gap that will be created. She stated that the more roads that can be repaired before the bubble gets bigger, the better.

Councilmember Riley stated that it would be important to show residents that there would be a tax cut with this method and these huge increases would be removed from the budget. He stated that the chart in the memorandum could be made more public friendly.

Finance Director Lund provided additional details on the intent of the chart.

Councilmember Riley stated that if the City continues to travel on the current path, there are increases coming and perhaps showing that this method would remove those large increases would be helpful knowledge for residents to have. He stated that he was hesitant about the deductibility of real estate taxes, noting that franchise fees are not deductible.

Councilmember Kuzma stated that when the City attempted to discuss franchise fees in the past, staff did not do a great job with outreach. He stressed the importance of public outreach and to show residents the bubble that is coming with these road costs.

Mayor Strommen agreed that a public meeting would be really important. She acknowledged that this is a complicated issue.

Finance Director Lund asked if the Council is comfortable with the \$4 and \$5 fee rates for sharing with the public.

Councilmember Riley stated that it would have to be a large enough number to solve the problem. He thought that there has been a study in the past to determine the number that would be needed to solve the problem.

Mayor Strommen stated that for the purpose of public discussion, there could be different scenarios shown, using \$4 and \$5 and identifying the gap that would be left as well as using \$7 and \$8 and the gap that would fill.

Councilmember LeTourneau asked the possibility of extending it out past 2028 to 2032 or 2035 and whether that would make a difference.

Finance Director Lund replied that it would just become greater.

Councilmember Riley stated that there were parameters put around this in the past such as a sunset provision and exclusive use provision. He stated that those clauses would perhaps make himself and others more comfortable. He stated that this would offset another tax increase and, therefore, it would be helpful to show that information.

Councilmember Kuzma stated that everyone uses the roads and, therefore, this fee would be fair and charge all users of the roads, rather than only those paying property taxes.

Finance Director Lund stated that in one instance a Council enacted a clause that would not allow the fee amount to be changed during the first five years, to give the residents more security.

Councilmember LeTourneau suggested that the Council have a more structured discussion before this information is shared with the public, including real scenarios.

Councilmember Kuzma asked the timeline for implementation.

Finance Director Lund reviewed the elements included in the timeline, which is nine months to one year.

City Administrator Ulrich noted that the next steps for staff would be to outline the steps in the process, review the policy issues in more detail for the existing assessments, and further structured discussion.

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 6:01 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.